

ALLEN COMMUNITY PARK FUND

AUDIT REPORT

JUNE 30, 2002, AND JUNE 30, 2003

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Name (Specify) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other <u>Allen Community</u>				County <u>Willis</u>
Audit Date <u>6/30/02</u>	Opinion Date <u>6/11/02</u>	Date Accountant Report Submitted to State: <u>6/11/02</u>		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input checked="" type="checkbox"/> yes <input type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) BAILEY, HODSHIRE & COMPANY, P.C.	
Street Address Certified Public Accountants 479 E. Chicago St. - Box 215 Jonesville, MI 49250-0215	
Accountant Signature <u>Bailey, Hodshire & Co.</u>	State <u>MI</u> ZIP <u>49250</u>

Bailey, Hodshire
& Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Allen Community Park Fund
Allen, Michigan

We have audited the accompanying general purpose financial statements of the Allen Community Park fund as of and for the years ended June 30, 2002 and June 30, 2003. These general purpose financial statements are the responsibility of the Board of Trustees. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Allen Community Park Fund as of June 30, 2002, and June 30, 2003, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Jonesville, Michigan
June 14, 2005

ALLEN COMMUNITY PARK FUND
BALANCE SHEETS
JUNE 30, 2002 AND JUNE 30, 2003

	ASSETS	
	2002	2003
Cash in Bank - Checking	\$ 4,727	\$ 4,317
Accounts Receivable	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 4,727</u>	<u>\$ 4,317</u>
	LIABILITIES & FUND BALANCE	
	2002	2003
Liabilities		
Accounts Payable	\$ 0	\$ 0
Fund Balance		
Unreserved	<u>4,727</u>	<u>4,317</u>
Total Liabilities and Fund Balance	<u>\$ 4,727</u>	<u>\$ 4,317</u>

The accompanying notes are an integral part of this statement.

ALLEN COMMUNITY PARK FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUE			
Contributions:			
Village of Allen	\$ 1,500	\$ 1,500	\$ 0
Township of Allen	1,500	1,500	0
Private	60	100	40
Interest	<u>60</u>	<u>70</u>	<u>10</u>
Total Revenue	<u>\$ 3,120</u>	<u>\$ 3,170</u>	<u>\$ 50</u>
EXPENDITURES			
Mowing	\$ 1,440	\$ 1,575	\$ 135
Trash Removal	225	413	188
Operating Supplies	612	485	(127)
Repairs & Maintenance	725	306	(419)
Audit Fee	600	600	0
Equipment	<u>500</u>	<u>0</u>	<u>(500)</u>
Total Expenditures	<u>\$ 4,102</u>	<u>\$ 3,379</u>	<u>\$ (723)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ (982)	\$ (209)	\$ 773
FUND BALANCE - JULY 1, 2001	<u>4,936</u>	<u>4,936</u>	<u>0</u>
FUND BALANCE - JUNE 30, 2002	<u>\$ 3,954</u>	<u>\$ 4,727</u>	<u>\$ 773</u>

The accompanying notes are an integral part of this statement.

ALLEN COMMUNITY PARK FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUE			
Contributions:			
Village of Allen	\$ 1,500	\$ 1,500	\$ 0
Township of Allen	1,500	1,500	0
Private	80	45	(35)
Interest	<u>50</u>	<u>33</u>	<u>(17)</u>
Total Revenue	<u>\$ 3,130</u>	<u>\$ 3,078</u>	<u>\$ (52)</u>
EXPENDITURES			
Mowing	\$ 1,800	\$ 1,515	\$ (285)
Trash Removal	365	465	100
Operating Supplies	362	211	(151)
Repairs & Maintenance	300	300	0
Equipment	<u>300</u>	<u>997</u>	<u>697</u>
Total Expenditures	<u>\$ 3,127</u>	<u>\$ 3,488</u>	<u>\$ (361)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ 3	\$ (410)	\$ 413
FUND BALANCE - JULY 1, 2002	<u>4,727</u>	<u>4,727</u>	<u>0</u>
FUND BALANCE - JUNE 30, 2003	<u>\$ 4,730</u>	<u>\$ 4,317</u>	<u>\$ 413</u>

The accompanying notes are an integral part of this statement.

ALLEN COMMUNITY PARK FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2002 AND JUNE 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

An agreement was entered into in August, 1988, between the Village of Allen and Allen Township for the purpose of developing, operating, and maintaining a park or recreational facility within the municipal boundaries of each entity. The activities of the joint undertaking are governed by a Park and Recreation Board. The Board, consisting of 8 members (4 from each municipal entity), governs the activities of the reporting entity. Reference should be made to the recreational facilities agreement for further details.

Basis of Presentation

The accounts of the Park Fund are organized into a single fund, which is considered a separate accounting entity with a set of self-balancing accounts. This single special revenue fund was set up in accordance with the designation of the Public Fund Depository Act and is used to account for the revenue and expenditures relating to the operation and maintenance of the Park. The fund is to receive its financial support equally from the Village of Allen and Allen Township.

Basis of Accounting

The fund utilizes the modified accrual basis of accounting. On this basis, revenue is generally recorded in the period in which it is received in cash, except for material items of revenue which should be accrued to reflect revenue earned, and expenditures are generally recorded at the time the liability is incurred.

Budgetary Data

The Recreation Facilities Agreement requires that an annual budget be developed for acceptance and approval by each participating governmental unit. There were budgets adopted for both the 2001-02 and 2002-03 years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Assets, Liabilities, and Fund Equity

All assets, including general fixed assets, are held in the names of the Village and Township; therefore, there is no separate general fixed assets listing for this entity. Reference should be made to Village and Township fixed asset records for purchases and sales of park assets.

2. CASH AND INVESTMENTS

Following are the components of the Township's bank deposits at June 30, 2003:

Demand Accounts	\$ 4,317
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The carrying amount was \$4,317 and the bank balance of the Township's bank deposits was \$4,317 at June 30, 2003. The entire bank balance was covered by federal depository insurance.

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June 14, 2005

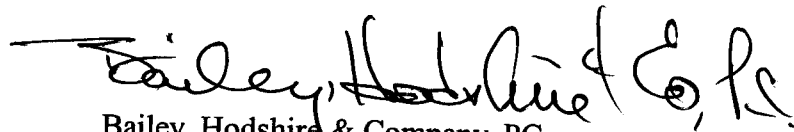
To the Board of Trustees
Allen Community Park Fund
Allen, Michigan 49227

As a result of our audit of the Allen Community Park Fund for the years ended June 30, 2002 and June 30, 2003, we would like to make the following comments and recommendations:

1. Payments to non-employees of \$600 or more for services rendered during each calendar year require issuance of form #1099. We believe that the payments to the Cutting Edge should have been reported on form #1099 to comply with IRS reporting guidelines.
2. There were expenditures in excess of approved budget line items in each of the years being audited. The Board should provide appropriations to line items before an expenditure causes line item levels to be exceeded.
3. We recommend that accounting records be presented to us for audit in a timely manner to prevent future delinquency in filing reports with the State of Michigan.

If we can be of assistance regarding these recommendations, please contact our office.

Respectfully,



Bailey, Hodshire & Company, PC
Certified Public Accountants